

AMP Capital China Growth Fund
ARSN 122 303 744



ASX Announcement

28 JULY 2016



Manager
ASX Market Announcements
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AMP Capital China Growth Fund (ASX: AGF) Extraordinary General Meeting address and presentation

AMP Capital Funds Management Limited (AFSL 426455), the responsible entity (RE) of the AMP Capital China Growth Fund (Fund), attaches copies of the following documents in accordance with Listing Rule 3.13.3:

- An address to be delivered to unitholders at the Extraordinary General Meeting commencing at 10.00am (AEST) on 28 July 2016 (**EGM**) by Mr Adam Tindall, Chairman of AMP Capital Funds Management Limited, the responsible entity for AMP Capital China Growth Fund, and
- A slide presentation to be presented at the EGM.

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AMP Capital China Growth Fund Extraordinary General Meeting 28 July 2016
AMP Capital Funds Management Limited Chairman's Address

Good morning and welcome to the Extraordinary General Meeting of unitholders in the AMP Capital China Growth Fund.

To the unitholders in attendance, thank you for being here and for your support of the Fund during the ten years of its life.

I'd also like to acknowledge, welcome and thank the members of the Fund's independent advisory committee who have also joined us today.

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The AMP Capital China Growth Fund was established in 2006 to give Australian retail investors rare, actively-managed access to China via the China A-share market. It was designed for investors seeking long-term capital growth. This objective remains the same today.

The Fund has delivered to unitholders what it set out to deliver and I am satisfied with what has been achieved.

Total unitholder return stands at 76.4 per cent over two years, 73.3 per cent over five years, and 62.5 per cent since IPO. I'd like to pay tribute to Patrick Ho and the investment team in Hong Kong for their efforts.

A lot has changed since 2006. Markets move on, regulations change and subsequently products need to be reviewed and updated.

Over the course of the Fund's life, it has traded at a discount to net asset value. AGF is not alone in this, with its two directly comparable peers also trading at similar discounts.

There is no one reason why the discount exists. The exact cause of it is uncertain. Our research suggests it is linked to structural features of the China A-share market such as the significant volatility within that market, the observed premium valuation of many China A-shares relative to their H-share listing, and timing and taxation issues regarding the repatriation of capital from China.

We have considered the discount many times during the past ten years. But the tax and regulatory environment in China was such that we had very few options available to us to sustainably close the discount for the long term.

Despite this, we did implement a number of enhancements last year aimed at making the Fund more attractive to new investors. We considered that those enhancements could increase demand for units in the Fund, which could assist in reducing the discount.

In consultation with unitholders, from the very large to the very small, we have undertaken two strategic reviews during the past two years, before landing on these enhancements and those proposed via the RE's resolution to this EGM.

We listened to unitholders and recognised it was important they had a say on the future of their Fund, which is why we called this meeting.

Transparency and governance are extremely important to the RE, and I confidently say to you that this Fund has the highest standards of corporate governance.

The Fund has been managed responsibly, transparently and in the best interests of all unitholders, which is the fiduciary responsibility of an RE.

Its independent advisory committee is another important governance checkpoint. The committee members have worked tirelessly, supporting the board during this year's analysis of the Fund's fitness for purpose, strategic review of the Fund and, in the lead up to this meeting, ensuring the RE has acted in the best interests of investors and preferred unitholders' interests over its own in the event of any conflict.

Last year we committed to investors that we would monitor the effectiveness of the enhancements we announced in 2015, analyse the Fund's fitness for purpose, consider further strategic options for the Fund to benefit unitholders, and hold this EGM.

There have been costs incurred in fulfilling these commitments. They include professional adviser costs, costs incurred in consulting and communicating with unitholders, costs of the independent advisory committee, and costs associated with holding this meeting.

Unitholders should note that we have been mindful about minimising costs to them.

I want to assure you the costs have been fair and reasonable and, we believe, in the best interests of unitholders. The Fund (and therefore unitholders) have not incurred costs that are unnecessary.

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The Explanatory Memorandum we provided to you in relation to this meeting set out two resolutions for you to vote on.

The first, from the RE, proposed to keep the Fund in operation with some important enhancements.

A second resolution, from one of AGF's significant unitholders, LIM, directs the RE to wind up the Fund.

We note that, based on the proxies, the vast majority of retail unitholders by number have supported the RE's resolution to keep AGF in operation with some enhancements to improve the Fund and make it more cost effective.

Of the total unitholders by number who voted, more than 70 per cent supported the RE's resolution. Around 70 per cent of total unitholders by number voted against the wind-up resolution.

However, the weight of institutional unitholders has not, based on the proxies, supported the RE resolution and opted to wind up the Fund.

Accordingly, unless unitholders who have submitted proxies change their vote at today's meeting:

- The RE resolution to keep the Fund in operation with some important enhancements will not receive approval from the required 50 per cent majority of unitholders present and voting.
- The LIM resolution to wind up the Fund will receive approval from just over the required 50 per cent majority of eligible unitholders.

I would say to the majority of retail unitholders, we are truly sorry that the Fund looks likely not to continue as you wanted.

However, at the end of the day, our obligation is to act on resolutions validly passed by the majority of unitholders of AGF.

What has been made clear is that there were two views on the future of AGF. There were investors – largely institutional – who wanted the Fund to be wound up. There was also a large number of retail investors who wanted the Fund to continue.

As RE, we respect both views.

If the wind up outcome is confirmed today, I want to assure you we will consider the best and fairest way to implement the decisions made at the meeting, working on behalf of all unitholders to get your Funds back to you as quickly as possible.

The wind up strategy will consider all options available for the wind up.

As set out in the Explanatory Memorandum, however, the most likely wind up strategy is for the Fund to realise China A-shares gradually and distribute the net proceeds of realisation in tranches as and when necessary Chinese tax and regulatory approvals are received.

As supported by independent tax advice from KPMG, which was provided to you with the Explanatory Memorandum, returning capital from China is expected to take between nine and 18 months on the most likely realisation strategy.

These figures are based on our extensive experience repatriating money from China under the terms of our QFII licence.

I want to assure you – again – that we will continue to work in your best interests throughout this process and return your capital to you as quickly as we can, working within the parameters of doing business in China, and with consideration to any tax implications.

We will continue to work with you over the coming months, keeping you informed of all material developments in relation to the wind up.

A team of people from AMP Capital has been working very hard on your behalf and many of them are here today. I'd like to publicly acknowledge their work and dedication to finding the best outcome for unitholders.

They will be available to take any questions you have during the breaks in the meeting and after its conclusion.

Finally, before the final votes are tallied, I would again like to thank unitholders for attending today, being involved in this process and taking the time to vote on the future of your Fund.

AMP CAPITAL CHINA GROWTH FUND

EXTRAORDINARY GENERAL MEETING

THURSDAY, 28 JULY 2016

AMP CAPITAL 



AGENDA

- > Welcome
- > Responsible Entity Chairman's Address: Adam Tindall
- > General Questions
- > Items of Business:
 - > Resolution 1:
Responsible Entity Resolution
 - > Resolution 2:
LIM Resolution
- > Conduct of polls
- > Meeting close

10am Thursday
28 JULY 2016

RESPONSIBLE ENTITY CHAIRMAN'S ADDRESS: ADAM TINDALL





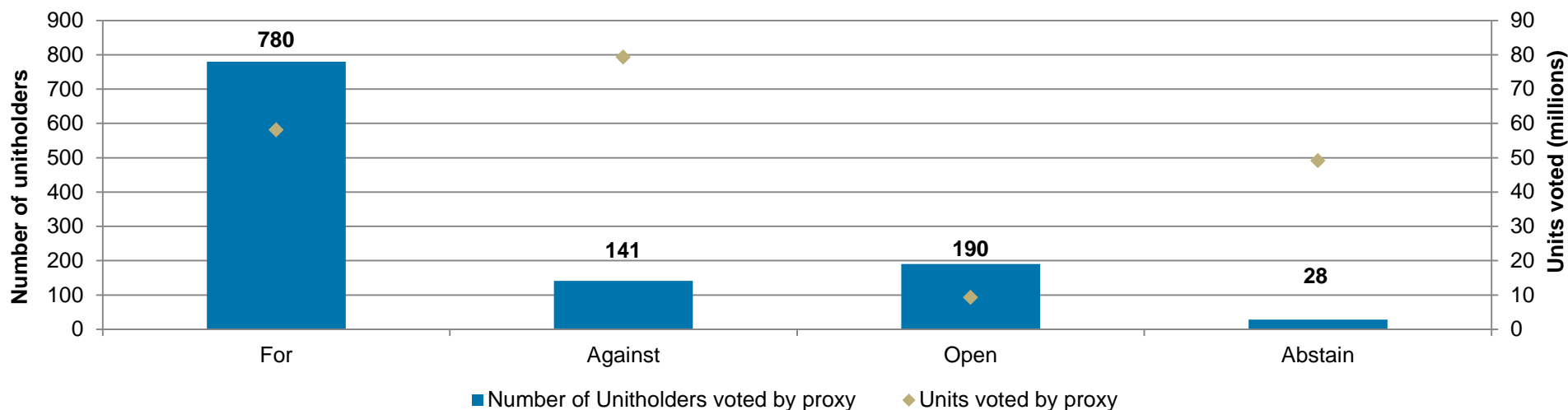
RESPONSIBLE ENTITY CHAIRMAN'S ADDRESS:

ADAM TINDALL

- Thank you for your attendance and for voting on the future of your fund
- We will respond to the wishes of the majority of Unitholders
- AMP Capital Funds Management Limited, as responsible entity of the Fund, will continue to act in the best interests of all unitholders

UNITHOLDER PARTICIPATION AS AT 10AM 26 JULY 2016

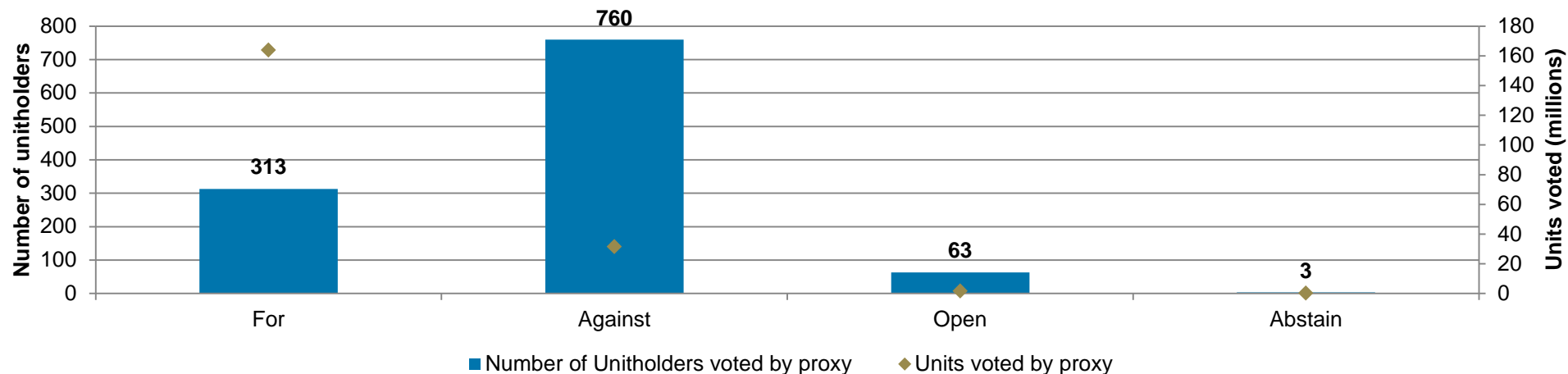
RESOLUTION 1: RESPONSIBLE ENTITY RESOLUTION



	% of total units on issue voted by proxy	Number of unitholders voted by proxy	% of total unitholders voted by proxy
For	12.30%	780	68.48%
Against	16.81%	141	12.38%
Open	1.96%	190	16.68%
Abstain	10.40%	28	2.46%
Total Votes	41.47%	1,139	100%

UNITHOLDER PARTICIPATION

RESOLUTION 2: LIM RESOLUTION



	% of total eligible units	% of total units on issue voted by proxy	Number of unitholders voted by proxy
For	54.28%	34.72%	313
Against	10.40%	6.65%	760
Open	0.49%	0.31%	63
Abstain	0.028%	0.02%	3
Total Votes	65.20%	41.70%	1,139

QUESTIONS



FORMAL BUSINESS

ITEMS OF BUSINESS

> **Resolution 1: Responsible Entity Resolution**

The Responsible Entity Resolution to authorise the Capital Management Initiative on the basis of the Fund Enhancements as stated in the notice of meeting

> **Resolution 2: LIM Resolution**

The LIM Resolution to direct the Responsible Entity to wind up the Fund as stated in the notice of meeting

VOTING PROCEDURES



10am Thursday
28 JULY 2016

1

Voting will be conducted by poll

2

Only unitholders or their representatives can vote on the motions at today's meeting. These people have been issued with white polling cards at registration

3

While voting is important it is not compulsory

4

A person's entitlement to vote at the meeting will be taken to be the entitlement of that person shown on the Register at the Voting Record Date unless they are excluded from voting by section 253E of the Corporations Act.

RESOLUTION 1: RESPONSIBLE ENTITY RESOLUTION

That, subject to the LIM Resolution described in the Notice of Meeting and Explanatory Memorandum not being passed, the Responsible Entity is authorised for all purposes to offer to Unitholders the following capital management opportunity on the terms set out in the Notice of Meeting and Explanatory Memorandum:

- a) the one-off redemption of the value of 15% of Units on issue at NAV less the costs of redemption; and
- b) an on-market buy-back of up to 5% of the Units on issue as at the close of business on the next business day after the Meeting,

on the basis that the Fund Enhancements set out in this Notice of Meeting and Explanatory Memorandum will be implemented by the Responsible Entity.

10am Thursday
28 JULY 2016

QUESTIONS

RESOLUTION 2: LIM RESOLUTION

That, for the purposes of section 601NE(1)(b) of the Corporations Act 2001 (Cth), the responsible entity of the AMP Capital China Growth Fund (ARSN 122 303 744) is directed to wind up the AMP Capital China Growth Fund.

10am Thursday
28 JULY 2016

QUESTIONS

A low-angle, upward-looking photograph of the Oriental Pearl Tower in Shanghai at night. The tower's three spheres are illuminated with blue and white lights. In the background, other skyscrapers of the Shanghai skyline are visible, including the Shanghai Tower with its distinctive twisted design. The entire scene is framed by the red, industrial-looking steel beams of a bridge or walkway in the foreground.

CONDUCT OF POLLS

PROXY POSITION

RESOLUTION 1: RESPONSIBLE ENTITY RESOLUTION

VALID PROXY VOTES

received by 10am on Tuesday 26 July 2016

For

58,044,917

39.60% of proxy votes received

Against

79,292,113

54.10% of proxy votes received

Open

9,227,139

6.30% of proxy votes received

Abstain

49,065,599 Units

PROXY POSITION

RESOLUTION 2: LIM RESOLUTION

VALID PROXY VOTES
received by 10am on Tuesday 26 July 2016

For

163,827,937

54.28% of total eligible units

Against

31,377,587

10.40% of total eligible units

Open

1,467,402

0.49% of total eligible units

Abstain

83,025

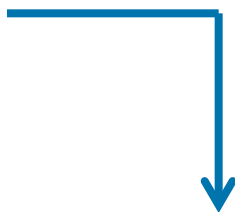
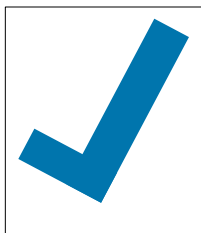
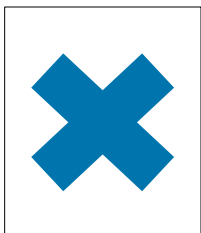
0.028% of total eligible units

TOTAL ELIGIBLE

301,823,957 UNITS

HAVING YOUR SAY

Place a tick or a cross in either the 'For', 'Against' or 'Abstain' box which appears next to each item



UNITHOLDER AND PROXYHOLDER VOTING INSTRUCTIONS

If you wish to cast all your votes for or against a motion, place a mark in the appropriate FOR box or AGAINST box for that motion.

If you wish to cast some of your votes for a motion and some of your votes against the motion write in the FOR box the actual number or percentage of votes you are casting for the motion and write in the AGAINST box the actual number or percentage of votes you are casting against the motion. The sum of the votes cast or the percentages FOR and AGAINST a motion must not exceed your voting entitlement or 100%.

	For	Against	Abstain
Resolution 1 The Responsible Entity Resolution to authorise the Capital Management Initiative on the basis of the Fund Enhancements as stated in the notice of meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 The LIM Resolution to direct the Responsible Entity to wind up the Fund as stated in the notice of meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Name of Unitholder/Proxyholder _____

Signature _____

Resolution 1 The Responsible Entity Resolution to authorise the Capital Management Initiative on the basis of the Fund Enhancements as stated in the notice of meeting

For

☐

Against

☐

Abstain

☐

Resolution 2 The LIM Resolution to direct the Responsible Entity to wind up the Fund as stated in the notice of meeting

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AMP CAPITAL CHINA GROWTH FUND

EXTRAORDINARY GENERAL MEETING

THURSDAY, 28 JULY 2016

AMP CAPITAL 

